

AMENDMENT NO. 3
TO INTERCONNECTION AGREEMENT

By and Between

WISCONSIN BELL, INC.
d/b/a SBC WISCONSIN

AND

CMC TELECOM, INC.

**RECIPROCAL COMPENSATION AMENDMENT (ADOPTING FCC INTERIM
TERMINATING COMPENSATION PLAN)**

This Reciprocal Compensation Amendment (Adopting FCC Interim Terminating Compensation Plan) ("Amendment") between SBC Telecommunications, Inc., on behalf of and as agent for Wisconsin Bell, Inc., d/b/a SBC WISCONSIN (hereinafter "SBC WISCONSIN") and CMC Telecom, Inc. ("CLEC").

WHEREAS, SBC WISCONSIN and CLEC entered into an interconnection agreement pursuant to Sections 251 and 252 of the Communications Act of 1934, as amended (the "Act") for the state of Wisconsin that became effective on July 9, 2002 (the "ICA"); and

WHEREAS, for the state of Wisconsin, the Parties desire to enter into an amendment to the current ICA setting forth the terms, conditions and rates for invoking the FCC interim terminating compensation plan on and after June 1, 2003.

NOW, THEREFORE, for and in consideration of the premises, mutual promises and covenants contained in this Amendment, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1.0 Scope of Agreement

- 1.1 This Amendment is intended to supercede any and all contract sections, appendices, attachments, rate schedules, or other portions of the underlying ICA that set forth rates, terms and conditions for the terminating compensation for (i) ISP-bound traffic as set forth in the FCC's Order on Remand and Report and Order,

In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Compensation for ISP-Bound Traffic, FCC 01-131, CC Docket Nos. 96-98, 99-68 (rel. April 27, 2001) ("FCC ISP Compensation Order") (hereinafter "ISP-bound Traffic") and traffic as set forth in Section 251(b)(5) of the Act (hereinafter "Section 251(b)(5) Traffic") exchanged between SBC WISCONSIN and CLEC if Option 1 is accepted by CLEC in accordance with Exhibit A, and (ii) solely ISP-bound Traffic exchanged between SBC WISCONSIN and CLEC if Option 2 applies in accordance with Exhibit A.

- 1.2 Any inconsistencies between the provisions of this Amendment and other provisions of the current ICA will be governed by the provisions of this Amendment, unless this Amendment is specifically and expressly superseded by a future amendment between the Parties in accordance with the change of law, intervening law or regulatory change provisions of the underlying interconnection agreement.

2.0 Scope of Amendment

- 2.1 The Parties agree to amend the underlying ICA with the provisions set forth in Exhibit A.

3.0 Miscellaneous

- 3.1 This Amendment will be effective as of June 1, 2003, contingent upon any necessary commission approval of the Amendment.
- 3.2 To the extent that compensation for ISP-bound Traffic and Section 251(b)(5) Traffic on or after June 1, 2003 was already billed and/or paid prior to the time that the state commission approved this Amendment, the Parties agree to implement any adjustments, reimbursements, or other "true ups" necessary to make the rates and terms set forth in this Amendment effective for all such traffic terminated on and after June 1, 2003.
- 3.3 In entering into this Amendment, the Parties acknowledge and agree that neither Party is waiving any of its rights, remedies or arguments it may have at law or under the intervening law or regulatory change provisions in the underlying Agreement with respect to any orders, decisions, legislation or proceedings and any remands thereof, including but not limited to its rights under the United States Supreme Court's opinion in *Verizon v. FCC, et al*, 535 U.S. 467 (2002); the D.C. Circuit's decision in *United States Telecom Association, et. al v. FCC*, 290 F.3d 415 (D.C. Cir. 2002) ("USTA decision"); the FCC's Triennial Review Order,

adopted on February 20, 2003, released on August 21, 2003, and published in the Federal Register on September 2, 2003, on remand from the *USTA* decision and pursuant to the FCC's Notice of Proposed Rulemaking, *Review of Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, CC Docket No. 01-338 (FCC 01-361) (rel. Dec. 20, 2001); the FCC's Order *In the Matter of the Local Competition Provisions of the Telecommunications Act of 1996*, 15 FCC Rcd 1760 (FCC 99-370) (rel. Nov. 24, 1999), including its Supplemental Order Clarification (FCC 00-183) (rel. June 2, 2000), in CC Docket 96-98; the FCC's Order on Remand and Report and Order in CC Dockets No. 96-98 and 99-68, 16 FCC Rcd 9151 (2001), (rel. April 27, 2001) ("ISP Compensation Order"), which was remanded in *WorldCom, Inc. v. FCC*, 288 F.3d 429 (D.C. Cir. 2002). In entering into this Amendment, each Party fully reserves all of its rights, remedies and arguments with respect to any decisions, orders or proceedings.

IN WITNESS WHEREOF, this Reciprocal Compensation Amendment (Adopting FCC Interim Terminating Compensation Plan) was exchanged in triplicate on this _____ day of _____, 2003, by SBC WISCONSIN, signing by and through its duly authorized representative, and CLEC, signing by and through its duly authorized representative.

EXHIBIT A

4.12 FCC's Interim ISP Terminating Compensation Plan

- 4.12.1 SBC WISCONSIN has made an offer to all telecommunications carriers in the state of Wisconsin ("the Offer") to exchange on or after June 1, 2003 all "Section 251(b)(5) Traffic" and all "ISP-bound Traffic" pursuant to the terms and conditions of the FCC terminating compensation plan of the FCC's Order on Remand and Report and Order in CC Dockets No. 96-98 and 99-68, *In the Matter of the Local Competition Provisions in the Telecommunications Act of 1996; Intercarrier Compensation for ISP Bound Traffic* (the "FCC's Interim ISP Compensation Order"). For purposes of this Agreement, ISP-bound traffic as set forth in the FCC's Order on Remand and Report and Order, In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Compensation for ISP-Bound Traffic, FCC 01-131, CC Docket Nos. 96-98, 99-68 (rel. April 27, 2001) ("FCC ISP Compensation Order") shall be referred to as "ISP-bound Traffic," and traffic as set forth in Section 251(b)(5) of the Act shall be referred to as "Section 251(b)(5) Traffic." Unless or until CLEC makes a one-time election to accept this offer to exchange traffic pursuant to Option 1 as set forth below by providing thirty (30) days advance written notice to SBC WISCONSIN, SBC WISCONSIN and CLEC will operate

pursuant to the provisions of Option 2, as set forth below. Upon CLEC's election of the offer, the rates, terms and conditions of Option 1 will become effective on the 31st day after notice.

OPTION 1 (Exchange all ISP-bound Traffic and All Section 251(b)(5) Traffic at the FCC Interim ISP Terminating Compensation Plan Rate) – Sections 4.12.2 through 4.12.8

4.12.2 Intercarrier Compensation for ISP-bound Traffic and Section 251(b)(5) Traffic

4.12.2.1 The rates, terms, conditions in Sections 4.12.2 through 4.12.8 apply to the termination of all ISP-bound Traffic, and all Section 251(b)(5) Traffic. ISP-bound Traffic is subject to the growth caps and new market restrictions stated in Sections 4.12.3 and 4.12.4 below.

4.12.2.2 The Parties agree to compensate each other for the transport and termination of ISP-bound Traffic and Section 251(b)(5) Traffic on a minute of use basis, at \$.001 per minute of use from June 1, 2003 through June 14, 2003, and \$.0007 per minute of use commencing on June 15, 2003, and thereafter.

4.12.2.3 Payment of Intercarrier Compensation on ISP-bound Traffic and Section 251(b)(5) Traffic will not vary according to whether the traffic is routed through a tandem switch or directly to an end office switch.

4.12.3 ISP- bound Traffic Growth Cap

4.12.3.1 On a calendar year basis, as set forth below, each Party agrees to cap its overall ISP-bound Traffic minutes of use based upon the 1st Quarter 2001 ISP minutes for which that Party was entitled to compensation under its Interconnection Agreement(s) in existence for the 1st Quarter of 2001, on the following schedule:

Calendar Year 2001	1st Quarter 2001 compensable ISP-bound Traffic minutes, times 4, times 1.10
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Calendar 2002	Year 2001 compensable ISP-bound Traffic minutes, times 1.10
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Calendar Year 2003	Year 2002 compensable ISP-bound Traffic minutes
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Calendar Year 2004 and thereafter	Year 2002	compensable	ISP-bound
	Traffic minutes		

Neither Party may fail to pay reciprocal compensation for ISP-bound Traffic to the other Party based on the application of the foregoing growth caps until the aggregate amount of ISP-bound Traffic billed by the other Party exceeds the applicable maximum number of minutes of ISP-bound Traffic that may be compensated for the entire year. Notwithstanding anything contrary herein, in Calendar Year 2003, the Parties agree that ISP-bound Traffic exchanged between the parties during the entire period from January 1, 2003 until December 31, 2003 shall be counted towards determining whether CLEC has exceeded the growth caps for Calendar Year 2003.

4.12.3.2 ISP-bound Traffic minutes that exceed the applied growth cap will be Bill and Keep. "Bill and Keep" refers to an arrangement in which neither of two interconnecting parties charges the other for terminating traffic that originates on the other party's network.

4.12.4 Bill and Keep for ISP-bound Traffic in New Markets

4.12.4.1 This Agreement is subject to the provisions of Paragraph 81 of the FCC's Interim ISP Compensation Order; provided, however, the Parties disagree what constitutes a market for purposes of the Bill and Keep provisions of Paragraph 81. CLEC specifically disputes that the new market restrictions of Paragraph 81 would ever apply to CLEC in the state of Wisconsin because, among other things, CLEC has a state-wide interconnection agreement for the state of Wisconsin. SBC WISCONSIN disagrees with CLEC's interpretation of Paragraph 81. To the extent that SBC WISCONSIN believes that CLEC's ISP-bound Traffic is subject to Bill and Keep under Paragraph 81, SBC WISCONSIN shall notify CLEC and the Parties shall negotiate in good faith to reach agreement on the treatment of such ISP-bound Traffic within thirty (30) days of such notice. If the Parties are unable to reach agreement on the treatment of such traffic under Paragraph 81 within such thirty (30) day period, either Party may submit such dispute to the appropriate regulatory or judicial authority for determination. By entering into the Amendment, both Parties reserve the right to advocate their respective positions relating to Paragraph 81 before state or federal commissions whether in bilateral complaint dockets, arbitrations under Section 252 of the Act, Commission established rulemaking dockets, or before any judicial or legislative body.

4.12.5 Growth Cap and New Market Bill and Keep Arrangements

4.12.5.1 Wherever Bill and Keep for ISP-bound Traffic is the traffic termination arrangement between CLEC and SBC WISCONSIN, both Parties shall segregate the Bill and Keep traffic from other compensable traffic either (a) by excluding the Bill and Keep minutes of use from other compensable minutes of use in the monthly billing invoices, or (b) by any other means mutually agreed upon by the Parties.

4.12.5.2 The Growth Cap and New Market Bill and Keep arrangement applies only to ISP-bound Traffic, and does not include Transit traffic, Optional Calling Area traffic, IntraLATA Interexchange traffic, or InterLATA Interexchange traffic.

4.12.6 ISP-bound Traffic Rebuttable Presumption

4.12.6.1 In accordance with Paragraph 79 of the FCC's ISP Compensation Order, CLEC and SBC WISCONSIN agree that there is a rebuttable presumption that any of the combined Section 251(b)(5) traffic and ISP-bound Traffic exchanged between CLEC and SBC WISCONSIN exceeding a 3:1 terminating to originating ratio is presumed to be ISP-bound Traffic subject to the compensation and growth cap terms in this Option 1. Either Party has the right to rebut the 3:1 ISP-bound Traffic presumption by identifying the actual ISP-bound Traffic by any means mutually agreed by the Parties, or by any method approved by the Commission. If a Party seeking to rebut the presumption takes appropriate action at the Commission pursuant to Section 252 of the Act and the Commission agrees that such Party has rebutted the presumption, the methodology and/or means approved by the Commission for use in determining the ratio shall be utilized by the Parties as of the date of the Commission approval and, in addition, shall be utilized to determine the appropriate true-up as described below. During the pendency of any such proceedings to rebut the presumption, CLEC and SBC WISCONSIN will remain obligated to pay the presumptive rates (reciprocal compensation rates for traffic below a 3:1 ratio, the rates set forth in Section 4.12.2.2 for traffic above the ratio) subject to a true-up upon the conclusion of such proceedings. Such true-up shall be retroactive back to the date a Party first sought appropriate relief from the Commission.

4.12.7 Billing

4.12.7.1 For purposes of this Section 4.12.7.1, all Section 251(b)(5) Traffic and all ISP-bound Traffic shall be referred to as "Billable Traffic." The Party that transports and terminates more Billable Traffic ("Out-of-Balance Carrier") will, on a monthly basis, calculate (i) the amount of such traffic to be compensated at the FCC interim ISP terminating compensation rate set forth in Section 4.12.2.2

above and (ii) the amount of such traffic subject to bill and keep in accordance with Sections 4.12.3 and 4.12.4 above. The Out-of-Balance Carrier will invoice on a monthly basis the other Party in accordance with the provisions in this Amendment and the FCC interim ISP terminating compensation plan. The Parties will mutually agree on the billing periods to be used in the monthly calculation for presumed ISP-bound Traffic and for Section 251(b)(5) Traffic.

- 4.12.8 CLEC and SBC WISCONSIN agree that nothing in this Agreement is meant to affect or determine the appropriate treatment of Voice Over Internet Protocol (VOIP) traffic under this or future Interconnection Agreements. The Parties further agree that this Agreement shall not be construed against either party as a "meeting of the minds" that VOIP traffic is or is not 251(b)(5) Traffic subject to reciprocal compensation. By entering into the Amendment, both Parties reserve the right to advocate their respective positions before state or federal commissions whether in bilateral complaint dockets, arbitrations under Section 252 of the Act, Commission established rulemaking dockets, or before any judicial or legislative body.

OPTION 2 - (Exchange Only ISP-bound Traffic at the FCC's Interim ISP Terminating Compensation Plan Rate) – Sections 4.12.9 through 4.12.15

4.12.9 Intercarrier Compensation for ISP-bound Traffic

- 4.12.9.1 The rates, terms, conditions in Sections 4.12.9 through 4.12.15 apply only to the termination of ISP-bound Traffic and subject to the growth caps and new market restrictions stated in Sections 4.12.10 and 4.12.11 below.

- 4.12.9.2 The Parties agree to compensate each other for the transport and termination of ISP-bound Traffic and Section 251(b)(5) Traffic on a minute of use basis, at \$.001 per minute of use from June 1, 2003 through June 14, 2003, and \$.0007 per minute of use commencing on June 15, 2003 and thereafter.

- 4.12.9.3 Payment of Intercarrier Compensation on ISP-bound Traffic will not vary according to whether the traffic is routed through a tandem switch or directly to an end office switch.

4.12.10 ISP- bound Traffic Growth Cap

- 4.12.10.1 On a calendar year basis, as set forth below, each Party agrees to cap its overall ISP-bound Traffic minutes of use based upon the 1st Quarter 2001 ISP minutes for which that Party was entitled to compensation under its Interconnection

Agreement(s) in existence for the 1st Quarter of 2001, on the following schedule:

Calendar Year 2001	1st Quarter 2001 compensable ISP-bound Traffic minutes, times 4, times 1.10
Calendar 2002	Year 2001 compensable ISP-bound Traffic minutes, times 1.10
Calendar Year 2003	Year 2002 compensable ISP-bound Traffic minutes
Calendar Year 2004 and thereafter	Year 2002 compensable ISP-bound Traffic minutes

Neither Party may fail to pay reciprocal compensation for ISP-bound Traffic to the other Party based on the application of the foregoing growth caps until the aggregate amount of ISP-bound Traffic billed by the other Party exceeds the applicable maximum number of minutes of ISP-bound Traffic that may be compensated for the entire year. Notwithstanding anything to the contrary herein, in Calendar Year 2003, the Parties agree that ISP-bound Traffic exchanged between the parties during the entire period from January 1, 2003 until December 31, 2003 shall be counted towards determining whether CLEC has exceeded the growth caps for Calendar Year 2003.

4.12.10.2 ISP-bound Traffic minutes that exceed the applied growth cap will be Bill and Keep. "Bill and Keep" refers to an arrangement in which neither of two interconnecting parties charges the other for terminating traffic that originates on the other party's network.

4.12.11 Bill and Keep for ISP-bound Traffic in New Markets

4.12.11.1 This Agreement is subject to the provisions of Paragraph 81 of the FCC's Interim ISP Compensation Order; provided, however, the Parties disagree what constitutes a market for purposes of the Bill and Keep provisions of Paragraph 81. CLEC specifically disputes that the new market restrictions of Paragraph 81 would ever apply to CLEC in the state of Wisconsin because, among other things, CLEC has a state-wide interconnection agreement for the state of Wisconsin. SBC WISCONSIN disagrees with CLEC's interpretation of Paragraph 81. To the extent that SBC WISCONSIN believes that CLEC's ISP-bound Traffic is subject to Bill and Keep under Paragraph 81, SBC

WISCONSIN shall notify CLEC and the Parties shall negotiate in good faith to reach agreement on the treatment of such ISP-bound Traffic within thirty (30) days of such notice. If the Parties are unable to reach agreement on the treatment of such traffic under Paragraph 81 within such thirty (30) day period, either Party may submit such dispute to the appropriate regulatory or judicial authority for determination. By entering into the Amendment, both Parties reserve the right to advocate their respective positions relating to Paragraph 81 before state or federal commissions whether in bilateral complaint dockets, arbitrations under Section 252 of the Act, Commission established rulemaking dockets, or before any judicial or legislative body.

4.12.12 Growth Cap and New Market Bill and Keep Arrangements

4.12.12.1 Wherever Bill and Keep for ISP-bound Traffic is the traffic termination arrangement between CLEC and SBC WISCONSIN, both Parties shall segregate the Bill and Keep traffic from other compensable traffic either (a) by excluding the Bill and Keep minutes of use from other compensable minutes of use in the monthly billing invoices, or (b) by any other means mutually agreed upon by the Parties.

4.12.12.2 The Growth Cap and New Market Bill and Keep arrangement applies only to ISP-bound Traffic, and does not include Transit traffic, Optional Calling Area traffic, IntraLATA Interexchange traffic, or InterLATA Interexchange traffic.

4.12.13 ISP-bound Traffic Rebuttable Presumption

4.12.13.1 In accordance with Paragraph 79 of the FCC's ISP Compensation Order, CLEC and SBC WISCONSIN agree that there is a rebuttable presumption that any of the combined Section 251(b)(5) traffic and ISP-bound Traffic exchanged between CLEC and SBC WISCONSIN exceeding a 3:1 terminating to originating ratio is presumed to be ISP-bound Traffic subject to the compensation and growth cap terms in this Option 2. Either Party has the right to rebut the 3:1 ISP-bound Traffic presumption by identifying the actual ISP-bound Traffic by any means mutually agreed by the Parties, or by any method approved by the Commission. If a Party seeking to rebut the presumption takes appropriate action at the Commission pursuant to Section 252 of the Act and the Commission agrees that such Party has rebutted the presumption, the methodology and/or means approved by the Commission for use in determining the ratio shall be utilized by the Parties as of the date of the Commission approval and, in addition, shall be utilized to determine the appropriate true-up as described below. During the pendency of any such proceedings to rebut the presumption, CLEC and SBC WISCONSIN will remain obligated to pay the

presumptive rates (reciprocal compensation rates for traffic below a 3:1 ratio, the rates set forth in Section 4.12.9.2 for traffic above the ratio) subject to a true-up upon the conclusion of such proceedings. Such true-up shall be retroactive back to the date a Party first sought appropriate relief from the Commission.

4.12.14 Billing

4.12.14.1 For purposes of this Section 4.12.14, all Section 251(b)(5) Traffic and all ISP-bound Traffic shall be referred to as "Billable Traffic." The Party that transports and terminates more Billable Traffic ("Out-of-Balance Carrier") will, on a monthly basis, calculate (i) the amount of such traffic to be compensated at the Section 251(b)(5) reciprocal compensation rates set forth in the **Pricing Schedule**, (ii) the amount of such traffic to be compensated at the FCC interim ISP terminating compensation rate set forth in Section 4.12.9.2 above, and (iii) the amount of such traffic subject to Bill and Keep in accordance with Sections 4.12.10 and 4.12.11 above. The Out-of-Balance Carrier will invoice on a monthly basis the other Party in accordance with the provisions in this Amendment and the FCC interim ISP terminating compensation plan. The Parties will mutually agree on the billing periods to be used in the monthly calculation for presumed ISP-bound Traffic and for Section 251(b)(5) Traffic.

4.12.15 CLEC and SBC WISCONSIN agree that nothing in this Agreement is meant to affect or determine the appropriate treatment of Voice Over Internet Protocol (VOIP) traffic under this or future Interconnection Agreements. The Parties further agree that this Agreement shall not be construed against either party as a "meeting of the minds" that VOIP traffic is or is not 251(b)(5) Traffic subject to reciprocal compensation. By entering into the Amendment, both Parties reserve the right to advocate their respective positions before state or federal commissions whether in bilateral complaint dockets, arbitrations under Section 252 of the Act, Commission established rulemaking dockets, or before any judicial or legislative body.